

Docket No: 03-0239
Bench Date: 10/8/03
Deadline: 10/15/03

MEMORANDUM

TO: The Commission

FROM: Leslie Haynes and Glennon Dolan,
Administrative Law Judges

DATE: September 29, 2003

SUBJECT: AT&T Communications of Illinois, Inc., TCG Illinois and TCG Chicago

Verified Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Illinois Bell Telephone Company (SBC Illinois) pursuant to Section 252(b) of the Telecommunications Act of 1996.

RECOMMENDATION: Deny AT&T's Application for Rehearing.

The Commission entered its Arbitration Decision on August 26, 2003. On September 25, 2003, AT&T filed an Application for Rehearing. AT&T seeks rehearing on three issues involving intercarrier compensation: Interconnection Issue 10, Intercarrier Compensation Issue 2(b), and Intercarrier Compensation Issue 2(c).

Interconnection Issue 10

AT&T proposed that SBC and AT&T should compensate each other, at equal and reciprocal rates, for the use of each other's Common Channel Signaling networks ("SS7 networks") to initiate and complete calls originated on one party's network and terminated on the other party's network. The Commission's Arbitration Decision ordered that this traffic be exchanged on a bill and keep basis. The parties' SS7 networks are interconnected by D-links. AT&T also requested that its proposal to share the cost for leasing D-links from SBC, approximately \$30,000 a month, be adopted. The Order also rejected this proposal. This leasing arrangement was reached prior to AT&T offering local service in Illinois. This increase in traffic would presumably result in higher costs for SBC that have not been passed on to AT&T in a higher lease rate. Hence, under the current arrangement SBC is bearing some of the cost of the D-links. AT&T presented no evidence in the original hearing nor in its Application for Rehearing of the proper distribution of costs. Given the lack of new evidence and arguments, we recommend that the Commission deny rehearing on this issue.

Intercarrier Compensation Issue 2(b)

AT&T proposes that it be compensated for ISP-bound, FX traffic. The Arbitration Decision ordered that this traffic be exchanged on a bill and keep basis. AT&T restated three of its arguments from the original phase of this proceeding: 1) AT&T and SBC currently compensate each other for this traffic, 2) the Commission does not have jurisdiction to decide this issue, and 3) AT&T argues that the Commission's decision conflicts with other Commission's decisions. The Commission thoroughly considered these arguments the first time they were raised, accordingly, we recommend that rehearing be denied on this issue as well.

Intercarrier Compensation Issue 2(c)

On this issue, AT&T argues that, contrary to many of the Commission's recent decisions concerning other CLECs, AT&T should be compensated for terminating non-ISP bound FX-like calls. In the initial phase of the proceeding, AT&T raised no arguments to support the Commission ignoring its recent decisions. AT&T also raises no new evidence or arguments in its Application for Rehearing. Accordingly, we recommend that the Commission deny the Application for Rehearing on all three issues.

LH/GD:jt